

Honorable Karen A. Overstreet
Chapter 11
Location: Seattle, WA
Hearing Date: August 20, 2013
Hearing Time: 9:30 a.m.
Response Date: August 6, 2013

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In Re:

CASE NO. 12-18366-KAO

CASCADE AG SERVICES, INC.
dba Pleasant Valley Farms
fdba Mountain View Produce, Inc.
fdba Staffanson Harvesting LLC
fdba Sterling Investment Group, L.L.C.

COLUMBIA STATE BANK'S
RESPONSE TO AUCTION REPORT
AND SALE OF ASSETS

Debtor.

COMES NOW COLUMBIA STATE BANK ("Columbia"), by and through its attorneys Foster Pepper PLLC and Deborah A. Crabbe, who submits this response to the Auction Report and to the Sale of the assets of debtor Cascade Ag Services, Inc., ("Cascade Ag") *dba* Pleasant Valley Farms ("Pleasant Valley"), *fdba* Mountain View Produce, Inc. ("Mountain View"), *fdba* Staffanson Harvesting LLC ("Staffanson"), *fdba* Sterling Investment Group, L.L.C. ("Sterling" and collectively with Cascade Ag, Pleasant Valley, Staffanson and Sterling "Debtor") pursuant to the Auction conducted on July 30, 2013. Capitalized terms used herein shall have the meaning set forth in the Auction Report at Dkt No. 554 and the Sales Procedures.

RESPONSE - 1

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1 1. Columbia supports the Auction of substantially all of the Debtor's assets to Triak
2 Holdings, LLC for the sum of \$4,135,000 in accordance with the bidding process that took place
3 at that Auction conducted on July 30, 2013 and as reported to the Court in the Auction Report
4 dated August 1, 2013. *See* Dkt No. 554.

5
6 2. Columbia does not agree with the contention set forth in the Auction Report that
7 additional analysis is required to determine which Alternative Bidder presented the higher and
8 better bid. *See* Auction Report, ¶¶ 9-11. At the Auction, the Sales Agent designated the
9 component bid of Kruger Foods, Inc., Columbia, One PacificCoast Bank ("OPCB") and
10 Washington Federal as the first Alternative Bidder (collectively the "Component Bid"). The
11 component bid was for \$4,085,000 for all of the Debtor's equipment, inventory and accounts
12 receivable and did not include a bid for the Debtor's real property. The second Alternative
13 Bidder, OND Farms LLC ("OND"), bid \$3,817,000 for substantially all of the Debtor's assets.
14 Thus, it is entirely unclear (1) what has changed since the Component Bid was designated the
15 first Alternative Bidder by the Sales Agent and (2) how the OND bid could be a "higher and
16 better bid" given that the dollar amount of the OND bid is less than the value of the Component
17 Bid. Moreover, the Component Bid left the Debtor's real property to be sold, which has the
18 effect of returning an even greater recovery for the estate, while the OND bid was inclusive of
19 the Debtor's real property.
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22 3. Columbia has proposed changes to the form of Order (A) Authorizing and
23 Approving the Sale of Assets Free and Clear of all Liens, Claims, Encumbrances and Other
24 Interests, (b) Approving the Assumption and Assignment of the Assumed Executory Contracts
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RESPONSE - 2

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1 and (c) Granting Related Relief (the "Order") for the Sale and reserves its rights with respect to
2 final approval of the form of Order.

3 4. Columbia reserves all of its rights with respect to the allocation of the purchase
4 price as between the secured claims of Columbia, OPCB and Washington Federal, in accordance
5 with, and including but not limited to, Columbia's rights under its loan documents, under the
6 terms of the Order and at law.
7

8 DATED this 6th day of August, 2013.

9 FOSTER PEPPER PLLC

10
11 /s/ Deborah A. Crabbe
12 Deborah A. Crabbe, WSBA #22263
13 Attorneys for Columbia State Bank
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RESPONSE - 3

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